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**STATEMENT  
OF  
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DEPARTMENT OF HOMELAND SECURITY  
BEFORE THE  
COMMITTEE ON TRANSPORTATION AND INFRASTRUCTURE  
HOUSE OF REPRESENTATIVES  
APRIL 18, 2007  
WASHINGTON, D.C.**

## **INTRODUCTION**

Chairman Oberstar, Ranking Member Mica and distinguished Members of the House Transportation and Infrastructure Committee, I appreciate the opportunity to share with you today information about the important work of the Federal Protective Service (FPS). Our efforts are focused on strengthening FPS' capability to execute its core mission within the Department of Homeland Security (DHS). The result will be a more effective FPS, ensuring that our nation's critical Federal facilities remain safe and more secure. Our efforts will improve service while addressing unstable business practices.

I am also pleased to appear before you today with Julie Myers, Assistant Secretary for U.S. Immigration and Customs Enforcement (ICE) – the agency that houses FPS within DHS. Assistant Secretary Myers has been very aggressive in bolstering and fine tuning the FPS program. Her leadership over the past year has been instrumental in ensuring the continuation of protective services despite numerous challenges.

## **THE ICE MISSION**

The ICE mission is to protect the American people by combating terrorists and criminals who seek to cross our borders and threaten us here at home. ICE's FPS program is a critical part of that mission. As such, FPS is charged with maintaining security at our Federal facilities for the public that conducts business in those buildings and the Federal employees who work there. FPS is responsible for securing Federal facilities to provide a safe environment by using a layered security approach, conducting security assessments,

offering emergency planning services, and providing law enforcement services. These activities are performed at more than 8,900 Federal facilities nationwide.

### **FPS BACKGROUND**

The FPS program delivers integrated law enforcement and security services to Federal agencies housed in General Services Administration (GSA) and DHS owned and leased facilities throughout the United States and its territories. These services cover a wide range of activities. On an annual basis, FPS conducts nearly 2,500 building security assessments and responds to approximately 1,500 demonstrations. In Fiscal Year (FY) 2006, FPS conducted more than 1,000 criminal investigations for crimes against government facilities and employees and arrested more than 4,000 criminals and fugitives for committing crimes on Federal property. Additionally, contract security guards seized more than 800,000 weapons and prohibited items prior to their entry into Federal facilities. FPS provides services to nearly 1,500 facilities categorized as Security Level III or IV (highest risk facilities).

Since FPS' creation in 1971, various studies and reports have been conducted reviewing the program and its role in the protection of Federal employees, the buildings that house them, and the public that conducts business in these buildings. These studies were conducted throughout the history of the FPS while it was a component of GSA, and have continued since its transition to DHS. Many of these studies have highlighted serious management and operational challenges facing the program, including systematic funding

issues. Unfortunately, when FPS was transferred from GSA to DHS, the administrative support structure and funding required to overcome these legacy problems was not provided.

I commend ICE, and in particular Assistant Secretary Myers, for taking a strong, proactive role in getting to the root causes of the issues and working with the FPS program to fix them and enhance the program's effectiveness. In FY 2005, ICE established a Tiger Team to assist FPS in addressing its financial management challenges and to recommend process improvements. This was the result of numerous DHS and Congressional inquiries related to late payments to FPS contract guard vendors. Although the Team focused on process issues surrounding financial management that had plagued FPS since its transition to DHS, it also identified other management and mission concerns for further evaluation. The work of the Tiger Team has resulted in significant progress being made in the areas of financial and acquisition management over the past year. These changes have improved financial management by boosting compliance with the Prompt Payment Act.

On the acquisition front, several initiatives also have been completed to improve procurement and contract functions within FPS. First, the function was realigned from a regionally based structure into three consolidated offices in Philadelphia, Denver and Fort Worth. Through consolidation, FPS has been able to standardize processes and procedures, improve utilization of contracting staff, and achieve economies of scale. The

chain of command for the acquisition function was also realigned. The consolidated contracting groups now report directly to the ICE Head of Contracting who provides both technical and administrative oversight of the FPS acquisition function.

For the long term, a study was recently completed to baseline the state of the acquisition function at FPS to develop a path forward for instituting improvements. The study identified several critical success factors that have been translated into measurable, actionable tasks for FY 2007. Progress is measured and recorded using a project dashboard. Some of the specific tasks that were identified as a result of this study include increasing contracting staff within an acceptable cost to spend ratio, standardizing contract instruments and templates, developing guidebooks for program personnel describing processes and requirements for planning and preparing requisitions, and improving the quality and availability of training for program personnel overseeing contractor performance. These tasks will result in a more efficient and effective acquisition function for the FPS program.

On the financial management front, FPS has struggled to cover all of its costs within its fee-based structure. In FY 2006, \$29.4 million was reprogrammed to offset a projected existing FPS deficit. In FY 2007, FPS is projected to be financially solvent due to a number of cost cutting and cost avoidance measures that began in FY 2006. These included a streamlining of the Megacenter function to reduce unnecessary administrative support costs; reducing the FPS vehicle fleet where appropriate; restricting discretionary

travel, overtime and training; restricting hiring and promotions to only the most critical; and deferring non-mandatory space moves, among others.

These cost containment efforts also have enabled FPS to leverage funds for some critical operational needs. For example, in FY 2007, FPS conducted a law enforcement basic training class, along with a Physical Security Academy (PSA) class. Plans call for two additional PSA classes for the remainder of FY 2007. Some key staffing needs are also being addressed due to careful financial management. Critical operations positions have been announced this year, providing for advancement opportunities in both the management and Inspector ranks. Moreover, each FPS region has been given a defined budget providing for travel, training, overtime, as well as for critical uniform, equipment and supplies.

Clearly, implementation of acquisition and financial management business process improvements have put FPS on firmer ground. However, we also understand that addressing management and mission concerns is key to ensuring the successful implementation of FPS' mission to protect Federal facilities. As such, Assistant Secretary Myers formed a second Tiger Team in May 2006 to review the FPS operations and structure overall. The goal was to define clearly the mission of the FPS; focus its resources toward that mission to ensure a stable working environment; and, finally, fully to align FPS with ICE and DHS. The results of this second review were the foundation for the FPS Comprehensive Action Plan (Action Plan) that is now underway.

## **FPS COMPREHENSIVE ACTION PLAN**

ICE has been engaged in a top-to-bottom review of its operations to address legacy issues, while continuing to provide the highest level of security and protection services to its clients. The move of FPS to DHS from GSA presented a unique opportunity for the FPS program to increase financial accountability and hone a clearly defined homeland security function. We must act now to revamp the program and improve its overall security posture within homeland security.

As mentioned previously, there is a well-documented case for refinement of this program: from GSA Office of Inspector General (OIG) reports to DHS OIG reports and General Accounting Office findings; from customer complaints to Congress; to the identification of serious contracting deficiencies and suggestions that the program has lost its physical security focus. FPS must be refined to set the gold standard for facility risk assessments and security interventions in Federal facilities across the country.

In addition, FPS must be in a position to lead within the National Infrastructure Protection Plan (NIPP) given that it is the sector specific agency for government facilities. The NIPP provides a comprehensive framework for the protection of government facilities, transportation facilities, key infrastructure assets and other facilities from potential terrorist attacks, natural disasters and other emergencies. A particularly important aspect of our plans for FPS is to increase the number and further strengthen the skills and support for FPS inspectors. FPS inspectors have the law

enforcement training and authority of FPS police, with considerable additional responsibilities. Consistent with the NIPP, FPS is refocusing on its core physical security mission to include:

- Enforcing Interagency Security Committee (ISC) security standards;
- Conducting timely building security assessments;
- Establishing and maintaining a strong contract guard program; and,
- Testing and constantly re-evaluating security standards based on risk.

By leveraging the integration of FPS' security and response and recovery capabilities within the NIPP framework, a layered approach to the security of Federal facilities will be achieved.

Together, the NIPP framework and results from the ICE second Tiger Team review provide the underpinnings for the FPS Action Plan. The key components of the Action Plan include:

- Restructuring and streamlining the program to enhance operational effectiveness;
- Developing and implementing a clear strategy related to the role of the FPS as the lead for government facilities within the NIPP;
- Leveraging resources in the areas of intelligence, criminal investigation, and response and recovery;



- Strengthening and standardizing the contract guard function;
- Re-invigorating and refocusing the efforts of the Interagency Security Committee, a body formed by Presidential Executive Order and chaired by DHS, to oversee the development of security standards and compliance with those standards; and,
- Enhancing communication with FPS customers and providing clear expectations of services.

The coming year and the following will be filled with significant change for the FPS program and its dedicated workforce. These changes will result in a more focused program that produces greater security at Federal facilities and for the people who work and visit these facilities. It will also result in better service for the FPS customers and a more pronounced partnership with the FPS program. The responsibility of the protection of Federal facilities will remain front and center during the refinement process. It is a responsibility that we share with all client agencies. We must improve FPS' operational effectiveness and ensure that the primary mission is met. The costs of that mission are one that is shared with our client agencies and must be fully recovered. The mission must be focused and risk-based.

The Action Plan effort will result in a refocused workforce composed of mainly inspectors with dual capabilities of providing law enforcement and physical security services that are geared toward high-risk threats. In addition, these resources will be realigned to high-risk locations. This effort will also complete the overhaul of contract

management within FPS. The results will be improved contract compliance, contracting cost reductions for client agencies, and appropriate and strong contract management, addressing the concerns raised by DHS' Office of the Inspector General. A critical element in the Action Plan is a more active dialog with FPS customers. The FPS program will create a partnership with customer agencies to delegate contract management and other authorities where it improves the security posture of the facility and will ensure compliance with FPS security standards.

FPS has established a program management office to track and monitor the Action Plan. The program management office will ensure Action Plan milestones are met and keep the focus on continued FPS refinement.

The President's FY 2008 Budget includes the resources to support a refined FPS program. Specifically, it includes an increase in the current basic security rate of \$0.39 to \$0.57 per square foot to recover the estimated costs for providing basic security services. The Budget provides an additional \$97 million in estimated fees above the FY 2007 level, to include \$37 million in increased demand for contract guard services (e.g., new space in Federal agencies) and \$60 million associated with the fee increase. The Budget supports 950 full-time equivalent personnel excluding reimbursable activity from reimbursable Security Work Authorizations. It also fully maintains existing levels of contract guards, the first line of defense at Federal facilities. As a fully reimbursable organization, it is important that FPS' revenue tracks with the service being provided.

## **PERSONNEL**

Currently, FPS has about 1,200 personnel on-board including inspectors, special agents, police officers, and support personnel. In addition, the FPS program manages approximately 15,000 contract security guards that serve as its front line in securing Federal facilities throughout the nation. The Action Plan effort will result in a more streamlined, effective and well-trained workforce. The personnel will possess the highest security certifications and form a unique force of security inspectors with full law enforcement capabilities. The first line of security at Federal facilities will not diminish. Those services, offered through a contract guard force, will be strengthened with the emphasis on an inspector workforce and a strong contract guard program.

Personnel adjustments will be aimed at improving FPS mission execution, enhancing career opportunities for employees, and improving customer service. ICE is employing various strategies to align the workforce including Voluntary Early Retirement Authority. ICE and FPS will work towards providing its employees with voluntary opportunities to move into new positions and will provide other incentive programs including developmental opportunities. These developmental opportunities will provide employees with the ability to train for new roles within FPS, ICE and DHS, and also create career mobility within DHS. .

The ICE and FPS leadership is committed to involving the program's employees in the refinement process. This includes involving FPS employees in determining areas for improvement and providing regular communication to employees, as well as FPS customers. To date, employees have had the opportunity to participate in various studies with over 700 having done so.

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The ICE and FPS leadership is committed to involving the program's employees in decisions regarding organizational improvements. This includes involving FPS employees in determining areas for change and providing regular communication to employees, as well as FPS customers. To date, employees have had the opportunity to participate in various studies with over 700 having done so.

There is no question that this will be a period of change for the FPS workforce. We realize that the employees are the greatest resource in this vital program. The Action Plan effort will result in a more stable work environment that is focused on its core mission. Employees will be provided growth opportunities through the inspector ranks, as well as unique opportunities that are developing as the NIPP is implemented. The current FPS workforce is deeply committed to the mission and we are confident that they will meet all challenges to create the premier physical security program in the Federal government.

DHS has recently appointed a permanent Director of the FPS program to lead this significant change. Mr. Gary Schenkel has significant experience in a wide range of areas including organizational transformation efforts, security planning for public facilities, logistical planning, and business administration. Mr. Schenkel most recently was the Assistant Federal Security Director in the Transportation Security Administration at Chicago Midway Airport. He oversaw the strategic planning and business management of TSA operations at the airport and worked closely with government partners and private sector service providers to ensure the highest levels of security at the airport without sacrificing efficiency and service. Before joining TSA, Mr. Schenkel was the Assistant Deputy Superintendent of the Chicago Police Department where he was responsible for employee relations and labor matters and established strong working relationships with the Chicago police union. Mr. Schenkel is keenly poised to guide this effort based on his extensive security and leadership experience.

## **ORGANIZATIONAL PLACEMENT**

There has and continues to be discussion about the placement of the FPS program either within DHS versus GSA, or within the Department – ICE versus another DHS component. The Department has reviewed this issue and assessed that the appropriate placement of the FPS program is within ICE.

ICE has demonstrated significant progress in improving its management and is becoming an administrative support leader within the Department as evidenced by last year's financial audit. There is a natural nexus between the FPS and broader ICE law enforcement mission. Moreover, there is within ICE strong management, financial, and procurement assets that are being leveraged to stabilize financial weaknesses, strengthen the organization's operational capabilities, and sharpen its mission focus.

Outside DHS, we occasionally receive questions about whether the FPS program should be returned to GSA given some view the FPS mission as a "building" function. The protection of Federal facilities, the Federal government's infrastructure, is clearly a homeland security function. In creating DHS, the Congress and the Administration agreed that FPS was appropriately housed within DHS. I concur with that judgment.

## **CONCLUSION**

Strengthening the FPS program as described in this testimony will not only respond to numerous IG studies, other reviews and customer complaints – it will also result in a more effective security service program for our Federal workforce and the people who conduct business with the Federal government. The men and women of the FPS are dedicated and, with the DHS leadership, believe in the core FPS mission. We are aggressively moving forward to address these challenges.

It will take several years to accomplish these efforts. ICE and FPS now have the right plan and management structure to strengthen this vital capability.

I would be pleased to answer your questions and look forward to our continued dialog on this critical homeland security function.